



LUBBOCK COUNTY PROPOSED BUDGET PRESENTATION

FY2026



STRATEGIC PLAN STRUCTURE

Mission Statement:

Our mission at Lubbock County is to deliver public services with unwavering integrity, compassion, and professionalism, guided by innovative leadership. We are dedicated to serving our community with the highest standards, ensuring transparency, responsiveness, and excellence in all that we do.

County Vision:

Lubbock County envisions itself as a beacon of exemplary public service, committed to delivering unparalleled efficiency and effectiveness to its residents. We aspire to anticipate and surpass the evolving needs of our community, ensuring our services continually elevate the quality of life for all who call Lubbock County home.





TOTAL BUDGET

FY26 Total Proposed Budget \$322,758,982

FY25 Total Budget \$345,430,364

- Includes General Fund and Special Revenues

FY26 General Fund Proposed Budget \$162,129,016

FY25 General Fund Budget \$165,070,100



TOTAL BUDGET

	FY26	FY25
Tax Collections	\$153,256,684	\$152,341,063
Licenses/Permits	\$220,074	\$189,941
Intergovernmental	\$27,848,625	\$44,175,037
Fees	\$5,836,148	\$5,923,536
Commissions	\$9,677,894	\$463,313
Charges for Services	\$8,249,306	\$6,990,660
Fines/Forfeitures	\$644,107	\$599,614
Interest	\$3,222,809	\$2,960,112
Other Revenue	\$20,267,713	\$19,261,285
Draws	\$80,473,586	\$84,585,615
Transfers	\$24,959,323	\$32,448,903
TOTAL REVENUES	\$334,656,269	\$349,939,079



TOTAL BUDGET HIGHLIGHTS FOR FY26

- There are 85 funds in the Lubbock County FY26 budget. The General Fund and 84 Special Funds.
- Total FY26 Budget realized a **(\$15,282,810)** budget reduction.
- Changes over last year's budgets by at least a \$1M include:

General Fund (\$2,941,083)	TAG Grant (\$10,266,915)
Road & Bridge \$1,949,375	ME Capital Project \$1,391,285
Permanent Improvements (\$1,884,828)	Health Insurance \$4,515,622
SLFRF (ARPA) Grant (\$6,431,357)	



GENERAL FUND



REVENUE

	FY26	FY25
Tax Collections	\$135,983,375	\$135,896,808
Licenses/Permits	\$220,074	\$189,941
Intergovernmental	\$3,235,174	\$3,269,979
Fees	\$3,287,445	\$3,391,535
Commissions	\$9,677,894	\$5,463,313
Charges for Services	\$1,696,811	\$1,060,825
Fines/Forfeitures	\$494,107	\$484,614
Interest	\$0	\$718,097
Other Revenue	\$671,200	\$1,851,787
Draws	\$6,862,936	\$7,230,366
Transfers	\$0	\$5,512,834



REVENUE HIGHLIGHTS

- Initial property tax revenue with the NNR is estimated to generate **(\$1,8M)** less than last year's property tax revenue due to the total I&S payment increases.
- Adopting the NNR and funding I&S payments with Debt Service Fund Balance for FY26, Tax Revenue from property taxes is estimated to produce **(\$105,104)** less in revenue over last year.
- Sales Tax revenue is expected to be stagnant and add \$191,671 in revenue.
- Motor Vehicle Registrations are estimated to increase by \$4M in one-time revenue due to an increase in Title Girl and Tesla registrations.
- Pay phone commissions are expected to decrease by **(\$800,000)** due to the Martha Wright Reed Justice and Reasonable Act of 2022



TAX RATE



TAX RATES

Abbreviations explained:

NNR – The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

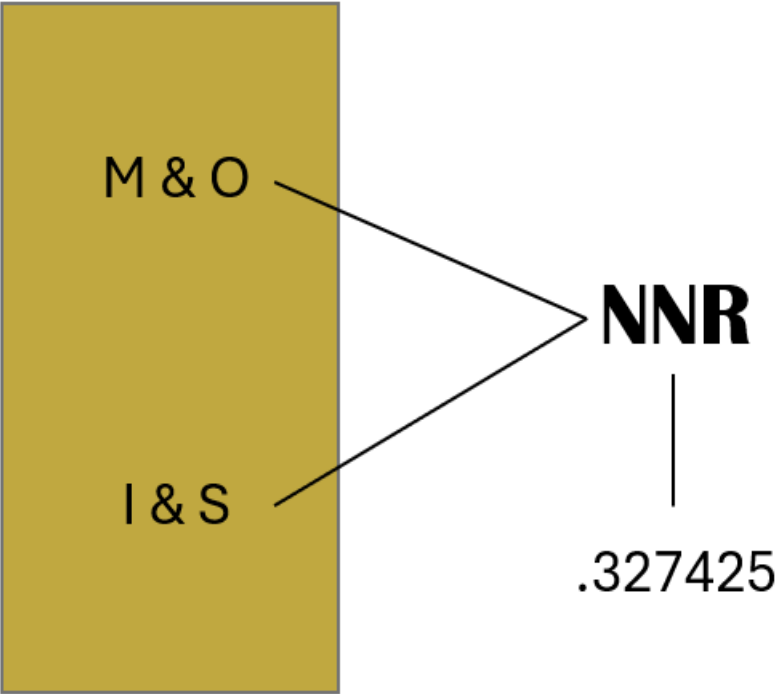
VAR – The voter-approval tax rate is split into two separate rates:

Maintenance and Operations (M&O) Tax Rate: The M&O portion of the tax rate is the amount needed to raise the same level of revenue as the prior year, plus the legally allowed increase. This rate funds the essential, day-to-day operations of a local government, including salaries, utilities, routine expenses, and general upkeep necessary to keep services running.

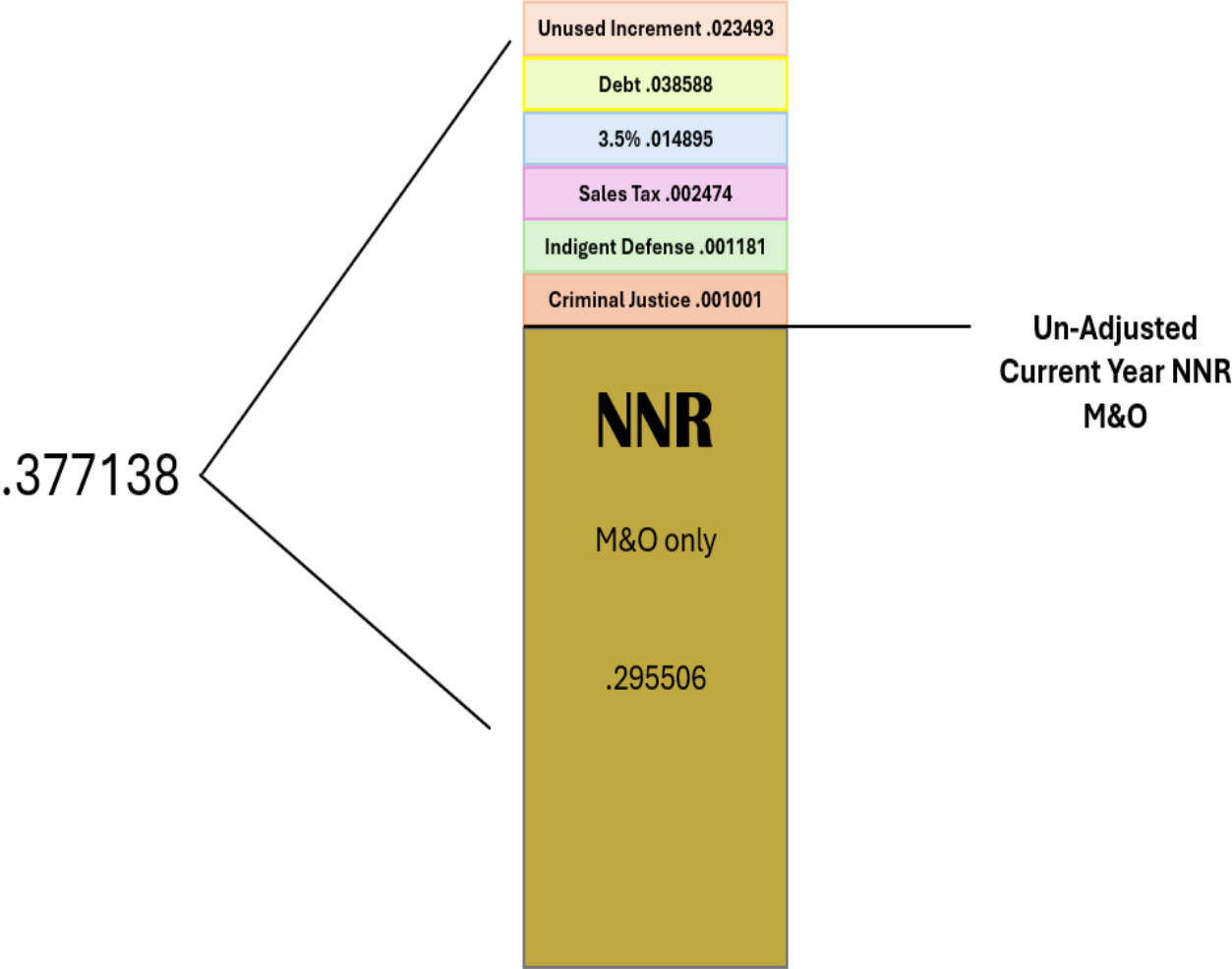
I&S – Interest and Sinking (Debt Rate) – a specific portion of a taxing entity's property tax that is used exclusively to pay off long-term debt, including the principal and interest on voter-approved bonds.

Unused increment rate – a taxing unit that did not use all of its revenue growth may bank that unused growth as long as the taxing unit averaged below 3.5 percent of the voter-approval rate over three years.

NO NEW REVENUE TAX RATE



VOTER-APPROVAL TAX RATE





TAX RATES

- FY26 No New Revenue Tax Rate = .327425 Adopted 8/25/2025
- FY26 Voter Approval Tax Rate = .377138
- FY26 Current Tax Rate = .334702



TAX RATES

Tax Rate and Appraisal Effect on Average Home

All Numbers calculated on an Annual Basis

- **FY2025 Adopted No New Revenue Tax Rate – 0.334702**

Average Single Family Residential Home valued at \$219,455

Citizens pay \$734.52 annually in property taxes.

- **FY2026 No New Revenue Tax Rate - .327425**

The Average Single Family Residential Home valued at \$223,528

Citizens pay \$731.89 annually in property taxes; decrease of (\$2.63).

Revenue loss of (\$1,787,867) for the County.



TAX RATES

Tax Rate and Appraisal Effect on Average Home Cont.

- **FY2026 No New Revenue Tax Rate (Debt Service pmt. w/Debt Service Fund Balance . 327425)**

The Average Single Family Residential Home valued at \$223,528

Citizens pay \$731.89 annually in property tax; decrease of **(\$2.63)**.

Revenue loss of **(\$105,104)** for the County.

- **FY2026 Current Rate - .334702**

The Average Single Family Residential Home valued at \$223,528

Citizens pay \$748.15 annually in property tax; increase of \$13.63.

Revenue increase of **\$460,026** for the County.



TAX RATES

Tax Rate and Appraisal Effect on Average Home Cont.

- **FY2026 Voter Approval Rate - \$.377138**

The Average Single Family Residential Home valued at \$223,528
Citizens pay \$843.01 annually in property tax; increase of \$108.49.
Revenue increase of **\$12,344,300** for the County.



TAX RATES

Effects on the Budget

Account Description	2026 NNR Court Sug Budget (w/ Debt Service)	2026 NNR Court Sug Budget	2026 Current Rate Court Sug Budget	2026 VAR Court Sug Budget	2025 Original Budget
FY26 BUDGETED REVENUES	\$162,129,016	\$160,446,254	\$162,694,147	\$174,578,420	(\$165,070,099)
FY26 BUDGETED EXPENDITURES	(\$162,129,016)	(\$162,129,016)	(\$162,129,016)	(\$162,129,016)	\$165,070,099
FY26 (OVER)/UNDER BUDGET	(\$0)	(\$1,682,762)	\$565,131	\$12,449,404	\$0

Difference between these budgets and the **Tax Rate and Appraisal Effect on Average Home (slides 13-15) is the \$105,104 shown in NNR w/Debt Service payment.



EXPENSES

HIGHLIGHTS

- FY26 General Fund proposed budget began with a deficient of \$14M due to the NNR required by law in FY25, the use of fund balance of a Special Fund in FY25 and the NNR adopted for FY26.
- FY26 original request, over \$29 million in expenses.
 - General Fund departments reduced their original request by \$3.4M
- FY26 General Fund budget includes:
 - Transfers from the General Fund for Special Revenues; over \$14.3 million; a decrease of \$4 million from FY25 budget.
 - Road & Bridge - \$6.2 million
 - Juvenile Justice Center - \$7.6 million
 - Grants and other special funds – \$539 thousand



EXPENSES

HIGHLIGHTS CONT.

➤ FY26 General Fund budget includes:

- Elected officials mandated salary increases for State, County Court at Law Judges and Appellant Justices.
- Elected officials 2% COLA
 - 7 Elected officials declined their increases and are not included in the budget.
- 12 New positions – 10 for Tax office (approved 08/2025) & 2 for Detention Center
- Health Insurance cost increases
 - New insurance company and plan for health and dental insurance started in Jan. 2025
 - The cost of the new insurance was **NOT** passed on to employees.
 - Employee contribution has not increased since 2017.



EXPENSES

HIGHLIGHTS CONT.

- Salary items adjustments
- Retention Pay for full-time employees' longevity
- HSA contribution of \$1,700 per employee on the County's health insurance with UMR – paid for with Worker's Comp funds.



EXPENSES

HIGHLIGHTS CONT.

- FY26 General Fund budget also includes reductions:
 - A 10% operating budget reduction for all departments in the General Fund \$2.4M
 - Public Safety reductions of \$1.4M for the Sheriff's office department funds and another \$280,000 in the Public Safety department, of which \$250,000 for Critical Needs Funding for the VFD.
 - Medical Examiner reduced \$199,000
 - Capital expenses were reduced from \$4.3 million requested to \$2 million.
 - Information Technology reduced \$788,000
 - Sheriff's Office reduced \$780,000 for new positions not approved
 - Maintenance reduced \$363,000



EXPENSES

HIGHLIGHTS CONT.

- Exclusions in the FY26 General Fund budget:
 - New positions requested but not approved - \$3.1 million.
 - COLA's for County employees
 - Merit funds for performance appraisals



SPECIAL FUNDS



ROAD & BRIDGE

DEPARTMENT'S BUDGET

- FY25 Department's Budget - \$11,054,979
- FY26 Proposed Budget - \$13,004,354
- Received \$6.2M in funds from the General Fund
- Estimating a slight increase in revenues and utilizing fund balance to balance its budget.
- Received funds from precinct parks to add RAP Roads to the budget.



ROAD & BRIDGE

DEPARTMENT'S BUDGET

- FY26 Initial request - \$14,963,116
- FY26 Proposed Budget - \$13,004,354
- Capital Equipment - \$2M
 - New road projects - \$1.4M
 - Road Maintenance program - \$2.1M
- FY25 RM program - \$223,394



ROAD & BRIDGE

Total Funded \$1.4M

FY26 NEW CAPITAL PROJECTS			
Description	Justification	Miles	Amount
PCT 1 CR 2140 from FM 41 to CR 7900 1 mile	Road Conversion	1	\$32,735
PCT 1 CR 2140 from CR 7900 South 0.5 mile	Road Conversion	0.5	\$16,368
PCT 2 ECR 6500 from CR 3500 East 0.5 mile	Road Conversion	0.5	\$16,368
PCT 2 CR 3760 from ECR 6610 South 0.5 mile	Road Conversion	0.5	\$16,368
PCT 3 NCR 3600 from ECR 5200 to ECR 5100 1 mile	Road Conversion	1	\$32,735
PCT 3 NCR 3600 from ECR 5100 North 0.5 mile	Road Conversion	0.5	\$16,368
PCT 3 ECR 5970 and NCR 3240	Drainage Improvement		\$8,000
PCT 4 NCR 1200 from CR 5100 South 0.5 mile	Road Conversion	0.5	\$16,368
PCT 4 CR 5100 from NCR 1200 West 0.5 mile	Road Conversion	0.5	\$16,368

FY26 NEW CAPITAL PROJECTS		
Description	Justification	Amount
CR 7300 (114th Street)	Engineering / Design	\$0
CR 7200 (98th Street)	Engineering / Design	\$1,000,000
2100 from FM41 to CR 7730	Caliche	\$32,735
7730 from CR 2130 to end	Caliche	\$16,368
Wolfforth Place (92nd Street)	Paved (hot mix)	\$73,846
6171 from CR 3000 - CR 3010	Caliche	\$6,547
3010 from CR 6171 - CR6160	Caliche	\$8,184
6000 West of University	Caliche	\$15,498
5400 from Frankford to end	Caliche	\$38,745



PRECINCT PARKS

- Property tax revenues totaling \$ 604,728 for all parks were funded this year.



PERMANENT IMPROVEMENTS

DEPARTMENT'S BUDGET

- FY26 Department's Budget Request - \$15,870,314
- FY26 Proposed Budget - \$ 3,374,452
- FY25 Original Budget - \$ 5,259,280
- Unfunded \$1.9M contribution from the General Fund
- Projects not funded totaled \$12.5



PERMANENT IMPROVEMENTS

EXPENSES

- Facility Maintenance director has requested \$8-\$15 million every year for a least the last 6 years.
- Solicited an assessment of the County facilities that needs to be addressed.



NNR TAX RATE



NNR RATE & the FY26 County Budget

Lubbock County's major revenue source has been reduced due to the local political environment. Our fiscal health must be maintained by further limiting spending until such time that a sustainable revenue source can be achieved. This includes expenses due to compensation, debt service, and major capital projects and equipment, as well as revisiting those expenses built on a tax rate for a growing county.



NNR TAX RATE & FY26 COUNTY BUDGET

- The NNR does not support the County budget.
- Expenses were legal but not structurally balanced utilizing \$6.8M from fund balance.
- The assessment outlined by the S&P Global Ratings to keep the AA+ long-term bond rating is not being respected.



NNR RATE & the FY26 County Budget

As reported last year, in order to accommodate the NNR tax rate for the FY25 budget, Lubbock County must realign our spending from the VAR tax rate and/or utilize its reserves (general fund balance) to offset the revenue loss.

- The County chose to utilize the General Fund balance totaling approximately \$7.2 million.
- This will result in \$7.2 million to be funded first in FY26.
- UPDATE – Lubbock County will require \$6.8M to be funded first in FY27.



S&P Global Ratings 1/12/24

- January 2024, the S&P Global Ratings (credit rating) assigned its AA+ long-term rating.

Report assessment:

- The county's economy will remain a credit strength, supporting revenue growth and financial stability, given its regional draw for the banking, agricultural and health care sectors.
- **Positive operating performance**
 - allowed for continued fund balance growth
 - results will continue given **conservative assumptions** and **ongoing revenue growth**.



S&P Global Ratings 1/12/24

- **Can manage inflationary and growth-related pressures;**
 - Reserves and liquidity will remain very strong as the county builds up its unassigned fund balance to the Commissioners Court's **five-month informal reserve target**.
- **Stable budgetary performance**
- **Very strong reserves, supported by revenue growth, with the expectation that fiscal 2024 will follow a recent trend of surpluses;**



S&P Global Ratings 1/12/24

- **Stable outlook reflects expectation county will continue to benefit from broad and local economy and institutional presence**
- **Will maintain a very strong financial profile, supported by conservative budgeting practices.**



S&P Global Ratings 1/12/24

A negative rating will be considered if:

- **budgetary performance deteriorates significantly, resulting in reduction of available fund balance to levels that are no longer comparable of peers and below the county's formal target.**
- **A material weakening of key economic indicators could also pressure the rating.**



S&P Global Ratings 1/12/24

There could be a rise in the rating if:

- **The debt burden moderates; additional financial policies and practices are adopted and maintained.**
 - **assuming no deterioration of economic and financial factors.**



S&P Global Ratings 1/12/24

Full S&P Global Ratings report may be viewed on the front page of the Lubbock County website.

<https://www.lubbockcounty.gov>



ADOPTED BUDGET

- The Lubbock County Adopted FY26 Budget was balanced with the no new revenue rate (NNR). The NNR rate was adopted on 8/25/25. This tax rate does not support the expenses for Lubbock County.
- The FY26 Lubbock County Budget may be viewed on the front page of the Lubbock County website.

<https://www.lubbockcounty.gov>